10 Year Capital Plan

REVISED FY 17 – FY21 REVENUES AND EXPENSES

EFFECT ON TAXPAYER OF PROPOSED REVENUE SOURCES

Revised Revenue sources

- ► Gross Receipts eliminated increase of 1% in meals tax, increase by 2% rooms and alcohol tax
- ▶ Start new rates 12-2016
- ▶ Total reduced revenue: \$2,342,254
- Transfer to GF FY18 FY21 to help pay for City economic development and promotional activities – lost revenue of \$400,000
- Waiting for vote on Gross Receipts until after the November 8, 2016 Special Meeting
- ► Traffic Fund eliminated increase except approved FY17 – lost revenue of (\$2,500,000)
- ▶ Donation received in FY16 added \$100,000

Revised Expenses

- ► Level funded curb work in FY21 due to staffing capacity concerns saved \$250,000
- Sufficient capacity in plan to eliminate contingency fund FY18 – FY21: saved \$600,000
- ► Estimated will take part of FY22 to complete finishing touches to bike path moved \$500,000 to FY22 shifted \$500,000
- Moved Parks Projects out into later years shifted \$531,000 due to staffing capacity concerns
- ► Cut transportation expansion in FY21 saved \$400,000 due to staffing capacity concerns

Impact of Changes

- ▶ Revenues:
 - ► Reduced by \$4,742,254
- Expenses:
 - ▶ Reduced by \$2,281,000
 - ▶ Increased by \$400,000

Net added Need to Borrow: \$2,861,254 from -\$24,712,254 to \$27,573,508

Impact on taxpayers owning median value home (\$231,500)

Assumption of Grand List Growth of 1% p/y for FYs 18-19, then .8% FYs 20-21 and then .7% FYs 22-27

Tax amount in each year Tax amount in each year With 3 Interest Only Bonds With No Interest Only Bonds

FY 18 tax payment	\$14.97
FY 19 tax payment	\$42.26
FY 20 tax payment	\$70.52
FY 21 tax payment	\$87.27
FY 22 tax payment FY 23 tax payment	\$74.05* \$91.49*
FY 24 tax payment	\$112.28*
FY 25 tax payment	\$129.07*
FY 26 tax payment	\$128.17*
FY 27 tax payment	\$127.28*

\$14.97	\$26.33
\$42.26	\$67.02
\$70.52	\$106.16
\$87.27	\$122.63
\$74.05* \$91.49*	\$109.16* \$108.40*
\$112.28*	\$107.65*
\$129.07*	\$106.90*
\$128.17*	\$106.15 *
\$127.28*	\$105.42*

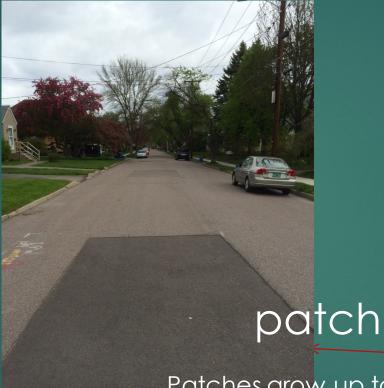
What can happen if you don't integrate subsurface infrastructure replacement with other capital programs...

Breaks





Road Patches



Streets with Water Main
Breaks <u>after Paving</u> (since 2009)

- ♦ Howard
- ♦ Pine
- ♦ Scarff
- S. Champlain
- ♦ Industrial
- ♦ S. Prospect
- ♦ St. Louis
- ♦ St. Paul
- Henry
- ♦ Brookes
- ♦ College

Patches grow up to be potholes!

Water pipes typically break due to a combination of corrosion, soil movement and pressure fluctuations. Additionally, vibrations due to paving machinery can impact brittle pipes.

Rate Impact of Water Borrowing \$8,344,000 Revenue bond

- Average water use = 755 cf or 5648 gallons/month; (9057 cf or 67750 gallons/year)
- Average annual cost of water with FY 17 rate = \$366.81
- Estimated Yearly Cost to Pay For borrowing
- (Average Single Family Home)

► FY 18 \$9.96

► FY 19 \$17.21

► FY 20 \$23.55

► FY21 \$30.79

► FY22 – FY472 \$30.79

► The debt service payment expense for the full \$8.344M in borrowing will result in a total cost increase for an average single family home of approximately \$30.79 (8.4%) over FY17 rates.